



Information Technology Investment Board

Finance and Audit Committee

MINUTES

Wednesday, April 5, 2006

10:30 a.m. – 12:00 a.m.

VITA Operations Center

3rd Floor James River Conference Room

110 South Seventh Street

Richmond, Virginia 23219

Members Present:

Walter Kucharski

Len Pomata

Jim McGuirk, Chair

Members Absent:

Scott Pattison

Others Present:

The Honorable Aneesh P. Chopra, Secretary of Technology

Lem Stewart, CIO

Jim Roberts, VITA Finance and Administration Director

Barb Rudolph, VITA Acting CFO

Dana Smith, VITA Controller

Peggy Ward, ITIB/VITA Internal Audit Services Director, Committee Staff

Jennifer Schreck, Auditor of Public Accounts

Jerry Simonoff, VITA Technology, Architecture, Applications and Strategy Director

Suzanne Piland, VITA Executive Advisor to the CFO

Paul Lubic, VITA Policy, Practice and Architecture Associate Director

Don Parr, Bearing Point

Call to Order

Mr. McGuirk, Acting-Chair, called the meeting of the Information Technology Investment Board Finance Committee to order at 10:40 a.m. and welcomed all. Peggy Ward called the role. There was a quorum.

Approval of Minutes

Mr. McGuirk presented the minutes of the February 9, 2006 Finance and Audit Committee meeting.

A motion was made by Mr. McGuirk and seconded by Mr. Pomata to approve the minutes as presented.

All voted in the affirmative.

Welcome to New VITA Executives

Mr. Stewart introduced Mr. Jim Roberts as VITA's new Administration and Finance Director noting Mr. Roberts' broad experience in state government as Deputy Secretary for Public Safety, Director of the Department of General Services, and staff to House Appropriations. Mr. Roberts introduced Ms.

Dana Smith as VITA's Controller noting Ms. Smith's extensive experience with the agency and the Department of Accounts.

Finance Report

Mr. Roberts briefed the Committee on VITA's revenues and expenditures through February 2006, noting that fiscal year to date activity was in line with expectations and the budgetary plan. Overall activity is summarized in the following table:

	<u>FY06 Budget</u>	<u>YTD actual- thru February</u>	<u>Actual as %</u>
Revenues	\$295.7	\$187.5	63%
Expense	<u>293.4</u>	<u>186.1</u>	63%
Net Change	2.2	1.4	
Retained Earnings July 1	\$54.1	\$54.1	
Retained Earnings YTD	\$56.4	\$55.6	

In related matters Mr. Roberts reported that the first phase of Memorandums of Understanding with agencies had been completed for FY 2007 billings and service levels and a second phase was under development. He reported that staff were busy evaluating transitional issues associated with the Northrop-Grumman Agreement, that included contract billing, cash-flow, depreciation, staff reorganization, and year-end procedures. The Committee was also briefed on pending budget issues as a result of continuing legislative deliberations on the current year and 2006-08 Budget Bill.

Internal Audit Report

Mrs. Ward briefed the Committee on the NG Partnership Audit Clauses as follows:

1. Security Audits of every infrastructure location in a frequency relative to risk.
2. SAS 70 Type II – service delivery
3. Financial – billing and invoicing
4. Operational
5. Right to Audit by Commonwealth Auditors (APA, JLARC, VITA Internal Audit)

An Update on APA Activities was provided:

- SJR 51 – APA to do study of database/data communication security by November 30, 2006
- Statewide Single Audit Report issued 3/31/06 for the year ended June 30, 2005. Previously issued findings considered to be reportable conditions. 4 VITA findings from the VITA 2005 Security Audit and one VITA finding listed from 2004 as "partially resolved." (Improve & implement security standards for client agencies)
- Wireless E-911 Service Board Audit - Clean report
- VITA Audit – in progress; reaching the reporting stage
- Virginia Interactive – Not yet started

The Committee reviewed the Corrective Action Plans Update that had five due dates revised. Two of the would be completed by ITIB actions the following day (Commonwealth Strategic Plan for Technology & PMD Standard). The remaining three revolved around information security issues. The Committee directed that the Corrective Action Plan be redone with one person accountable to the Committee for ensuring the dates are met or providing the rationale for revised dates. The

Committee also directed that the report clearly delineate whether there is a direct relationship to the partnership.

The Committee was briefed on the Internal Audit Services Activities noting that they are behind schedule.

Other Business

None

Public Comment

None

Adjourn

There being no further business, the committee meeting adjourned at 12:05 p.m.